GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:5286
ANSWERED ON:29.04.2005
STRIKE BY EMPLOYEES OF PUBLIC SECTOR INSURANCE COMPANIES
Das Gupta Shri Gurudas;Reddy Shri Suravaram Sudhakar

Will the Minister of FINANCE be pleased to state:

(a) whether the officers and employees of four public sector general insurance companies went on a two day strike on March 23 and 24, 2005 demanding wage revision and also protesting against the proposed hike in FDI in the insurance sector;

(b) if so, the details thereof; and

(c) the reaction of the Government to each of their demands?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMAN1CKAM):

(a) and (b) Yes, Sir. About 57% of the officers and employees of four public sector general insurance companies observed two days strike on 23rd and 24th on March, 2005 in support of their demands i.e. wage revision, filling up of promotional vacancies and to protest against the proposed hike in Foreign Direct Investment in Insurance Sector.

(c) Demands relating to wage hike and filling up of vacancies are basically management functions. On wage hike, it is for the management to reach a negotiated settlement with the Associations/Unions. As regards proposed hike in Foreign Direct Investment (FDI) in Insurance Sector, the insurance companies periodically require additional capital for growth of their business. Indian promoters, at times, due to financial constraints are not in a position to contribute additional capital proportionate to their share holdings. Therefore, in the Budget Speech of 2004-05, an announcement was made for the increase in the Foreign Direct Investment limit from the present 26% to 49%. However, no legislative proposal has been finalized so far.